



INVESTIGATION OF PUBLIC PRINTING.

MAY 31, 1860—Submitted. JUNE 12, 1860—Ordered to be printed.

Mr. SLIDELL submitted the Majority Report.

Mr. KING, CHAIRMAN of the Select Committee submitted the following as the
VIEWS OF THE MINORITY.

Differing with the majority of the committee, I will state my views to the Senate. I think the testimony taken by the committee discloses abuses practiced in the administration of the laws providing for the execution of printing and binding for Congress and the executive departments, which cannot be condemned in language stronger than the facts testified to before the committee will justify.

The printing and binding for Congress have been made the subject of bargain and sale by those elected to the office of Printer to those who executed the work; and moneys drawn from the public treasury under color of law, ostensibly to pay for executive printing and binding, have been disposed of for personal and party purposes, by arrangements made upon consultations in which the highest public functionaries in the administration of the government have participated. Those to whom, by law and by their high official positions, the care of the public interests and the guardianship of the public moneys have been confided, have themselves been the parties through whose counsels arrangements were made for the application of the moneys to corrupt purposes. The amount of money drawn out of the treasury has been determined by the manner in which the orders for printing were made and sent to the printer, and not by the law or by the quality or quantity of printing ordered and executed.

The printing and binding of the executive departments have been given out, with express stipulations on the part of the printer executing the work, and drawing the money from the treasury for the assumed purpose of paying for the work, that he should pay and apply large sums of money to the support of party newspapers that were supporting the administration, and published in this city and the city of Philadelphia; and large sums of money have been contributed and paid by one printer executing the public printing, to influence the result of elections.

A great part of the testimony taken by the committee was obtained from unwilling witnesses; much of it is irrelevant, some of it is obscure, and some contradictory. But no man who will read the testimony can fail, I think, to come to the same conclusions I have. For the specifications and evidence that sustain these conclusions, drawn from the testimony taken by the committee appointed by the Senate to investigate this subject, reference is made to the testimony itself, in the words of the witnesses who testified to the facts. All the evidence that was taken, filling a document of three hundred and eighty-two pages, is reported by the committee to the Senate, and has been printed.

The resolution adopted directing the investi-

gation was offered in consequence of disclosures made in a debate in the Senate on the 17th of January, 1860, the day George W. Bowman was elected Printer for the present Senate. Mr. Bowman, whose arrangements and differences with Cornelius Wendell attracted attention to the expenditures for public printing, and the disposition of its profits for party purposes, was, in March, 1859, the Superintendent of Public Printing, and Mr. Wendell was the owner and publisher of the *Washington Union*, the leading newspaper in the city of Washington supporting the administration. On the 26th day of March, 1859, Wendell transferred to Bowman, by bill of sale, the *Washington Union* newspaper, with its good will, presses, printing, and other material belonging to that establishment. Wendell was, at that time, also the owner of another large printing establishment, constructed and fitted up to execute the public printing, and in which it was then, and had for some years been, executed, in which no newspaper was published.

For the last Congress, which ended March 3, 1859, James B. Steadman was the official Printer elected by the House of Representatives, and William A. Harris the official Printer elected by the Senate, and the printing for both houses was executed at a large printing office belonging to Wendell, who had also the executive printing and binding.

When the testimony was completed, the committee conferred together, but were not able to agree upon a report. Subsequent conference disclosed that Messrs. Slidell, Powell, and Kennedy, took one view of the subject, and Mr. Anthony and myself another, when Mr. Slidell was directed to report the views of the majority of the committee, which he has done in the report just presented by him to the Senate.

The resolution of the Senate ordering the committee directed them to inquire and report—

"Whether \$41,000, or other sum or sums, were paid by the public printer, or any party who executed the public printing or binding for the last Congress or the executive departments, for the use or benefit of any person or party conducting a newspaper, or to aid in the support of any newspaper establishment, and especially whether any such payment was made to, or for the benefit of, the person or party interested in the publication of the *Washington Constitution*, (lately called the *Union*), the *Pennsylvanian*, or the *Philadelphia Argus*."

In reply to this inquiry, the testimony shows that the *Washington Union*, now the *Constitution*, has been supported and sustained by the profits taken from the public printing for Congress and the executive departments during the whole period of time through which this investigation has extended; sometimes by giving the printing to the publishers of the paper, and when the public printing was executed by other parties than the publishers of that paper, by arrangements requiring the actual printer, as a condi-

tion going with the printing jobs, to pay large sums for the support of the paper. And Mr. Harris, one of its editors, testifies that he had to advocate measures that he did not heartily approve. Mr. Wendell, in the arrangements that were made for the execution of the public printing, testifies that he purchased the newspaper establishment at a cost of about thirty thousand dollars, and that when he transferred it, in March, 1859, to Mr. Bowman, its present publisher, it was transferred (by bill of sale) without any consideration paid or to be paid, other than the expectation and understanding that Bowman would be elected Printer for the present Congress, or if not for both houses, certainly for the Senate; and on the part of Wendell, that he would have the execution of the printing of the executive departments and of the Senate. As to the value of the newspaper establishment, Mr. Wendell testifies that it was a losing concern, sinking from ten to eighteen thousand dollars a year, and he was determined to get rid of it, and while Mr. Bowman testifies that its presses, types, and material, might be worth several thousand dollars, he would not take it as a gift, and have to carry it on. Besides the bill of sale from Wendell, transferring the *Union* and its printing material to Bowman, the following contract, bearing even date with the bill of sale, was executed between Wendell and Bowman:

"WASHINGTON, March 26, 1859.

"GENTLEMEN: You were consulted by us concerning the transfer which has this day been made between us of the *Union* newspaper. You know the views and expectations which influenced us on both sides. While we do not contemplate the slightest difficulty, yet it is possible that some collision of interest, or some difficulty of opinion concerning our rights or duties, may hereafter arise. In that event, we have agreed to leave all questions between us to your arbitration, and your decision shall be binding and conclusive upon us both. If you shall differ, you may choose some third person as an umpire. It is, as you know, understood between us that the purchaser of the *Union* shall not be a competitor with the seller for any portion of the executive work now done by Mr. Wendell at his large office, but that Mr. Bowman shall receive at the rate of twenty thousand dollars per annum so long as Wendell continues to do the work as he does it now, but no longer. If the work aforesaid be withdrawn from Wendell, his obligation to pay this \$20,000 shall cease. If any considerable portion is withdrawn, it will be for you to decide whether Wendell's payment shall cease, or in what proportion it shall continue.

"We are, very respectfully, your obedient servants,
"C. WENDELL.
"GEORGE W. BOWMAN.

"Messrs. A. O. P. NICHOLSON and J. S. BLACK."

Mr. Wendell, in his testimony, thinks Mr. Black, the Attorney General, drew all the papers between him and Bowman. Mr. Bowman, in his testimony, thinks Mr. Appleton, the Assistant Secretary of State, drew the contract. Both these gentlemen were consulted in the matter, and it appears from the testimony that the terms of the arrangement between Bowman and Wendell were influenced by their counsels. This is a contract corrupt and demoralizing on its very face. It is founded in the assumption that the printing and binding of the executive departments are to be given to Wendell, for which he shall pay annually, so long as they shall be continued to him, \$20,000 a year, \$10,000 of which was to go to the publisher of the *Union*, now the *Constitution*, and \$10,000 to the *Pennsylvanian*, an administration paper in the city of Philadelphia. This is the sale of official patronage—the giving out of public work at the disposal of the administration, with the condition that a part of the price drawn from the public treasury shall

be returned or paid by the contractor executing the work, for the use and benefit of the administration, who give out the jobs. Part of the contract is in expectations not expressed in writing—that part relating to the present Congress, as Mr. Wendell testifies. Bowman expected to be elected Printer to the Senate, and Wendell expected to execute the printing, and in that way to be indemnified for the transfer of the *Union* without price to Bowman. The Attorney General and a Senator are made the arbiters to decide any differences, if any should arise, between Wendell and Bowman, as to how this spoil of the Treasury should be divided between them. The executive printing and binding were continued to Wendell, upon the agreement on his part to pay \$20,000 a year to Bowman. Wendell first proposed \$10,000 a year for the executive printing and binding; but, at the suggestion of some one interested for the *Pennsylvanian*, \$10,000 a year were added for that paper—the whole \$20,000 mentioned in the contract to be paid to Bowman, but under an understanding that \$10,000 a year was to go to the *Union* and \$10,000 to the *Pennsylvanian*. The stipulation is expressed in the contract, that if this work should be withdrawn from Wendell by the executive departments, then he should cease to pay; and if any part should be withdrawn, the arbiters were authorized to determine what proportion of this subsidizing bonus from the public printing to the *Union* and *Pennsylvanian* Wendell should be released from paying, and how much he should continue to pay. The money drawn from the treasury, on account of printing for the post office blanks, was controlled by the administration, and disposed of for political and party purposes.

Previous to March, 1859, when the contract for \$20,000 a year from the executive printing and binding was made with Bowman, and he took the *Union*, Wendell published the *Union* at an annual expenditure beyond its receipts, as he testifies, of from ten to eighteen thousand dollars a year; and he also paid to Mr. Rice, publisher of the *Pennsylvanian*, \$11,198.57; and to Mr. Severns, publisher of the *Argus*, in Philadelphia, rising \$5,000; and these two sums, to the *Pennsylvanian* and the *Argus*, he said, might be considered by the direction of the Executive. Page 22 of the testimony, Wendell testifies distinctly, in reply to interrogatories—

"By Mr. Kennedy:

"Question. Do you say, to the *Argus*, by direction of the Executive?

"Answer. Yes, sir.

"Question. I thought I understood you, the other day, to say that there was no compulsion exercised upon you to pay; but you considered you were, to a certain extent, bound to give to the *Argus*.

"Answer. Under the arrangement with Rice. Allow me to say, that Rice obtained the contract, and then Severns and his friends claimed a part, and I was directed to reduce the amount to Rice and pay an amount to Severns.

"By Mr. Slidell:

"Question. Who directed you?

"Answer. The Executive.

"Question. Whom do you mean by the Executive?

"Answer. James Buchanan.

"Question. You said you had no conversation with him?

"Answer. That is, in relation to the printing.

"Question. Was this done verbally and personally?

"Answer. Personally. There was a contest between Mr. Bigler and Colonel Florence about it."

Mr. Wendell (page 12 of the testimony) was shown the following card by Mr. Slidell, and asked:

"Question. Is this a correct copy of a card you published in the Union: " "WASHINGTON UNION, December 11, 1858.

"A CARD. My attention has been called to a paragraph in a letter to the *New York Times* of the 9th instant, in vague and general terms, that the President had caused certain money, justly due to some individual, to be used for electioneering purposes. With this accusation my own name has been so generally connected in conversation, that I feel constrained, publicly and emphatically, to deny all knowledge or belief of any fact which can warrant it, and to declare that President Buchanan never did authorize, advise, or request me, directly or indirectly, to use either my own money or that of any other person for any purpose like that mentioned in the paragraph referred to, or in any manner affecting any public election. C. WENDELL."

"Answer. I presume it is."

Afterwards, (page 24 of the testimony,) Mr. Wendell being further interrogated respecting this card, desired to state, and testified as follows:

"Some time in the month of September I suggested the stoppage of the payment to the *Pennsylvanian*, on my own volition, believing that the money was thrown away there. I stopped it. I had two reasons for it. One was, I wanted some of the profits myself, for I was running into difficulties, and I thought I was entitled to some of the profits. I suggested it to the President, and without his direction I stopped it. He did not direct this stoppage. He did not direct it to be done, nor dissent. He would say, this whole subject of the printing is a source of annoyance to me; do as you please. I suspended the payment, and Mr. Rice, of course, was highly indignant, and he made divers statements, which were caught up by the reporters, and this attack was made. Mr. Baker told me that the President wished me to make this statement. He brought it to me already written, and I signed it. It was, and is, true in every particular. I will read it: 'My attention has been called to a paragraph in a letter to the *New York Times* of the 9th instant, in vague and general terms, that the President had caused certain money, justly due to some individual, to be used for electioneering purposes.' He never said, 'With this accusation my own name has been so generally connected in conversation, that I feel constrained, publicly and emphatically, to deny all knowledge or belief of any fact which can warrant it, and to declare that President Buchanan never did authorize, advise, or request me, directly or indirectly, to use either my own money or that of any other person for purposes like that mentioned in the paragraph referred to, or in any manner affecting any public election.' That is all true. What I did was of my own volition. I thought the money could be better applied to partisan purposes, and I took the responsibility."

The article published in the *Times* was not before the committee.

Joseph Severns, publisher of the *Evening National Argus*, Philadelphia, testifies that he received about five thousand dollars, as he understood it, out of the post office blanks printing, as a contribution, a political contribution, for the support of his paper; that he did none of the printing, and was not a party to the contract; but that the contract was given to Rice by the Postmaster General, with the understanding that he (Severns, of the *Argus*) was to have \$5,000 out of it; that he did not understand exactly how it was; that he did not know who it was that determined how the profits of the post office blanks printing should be divided; that he applied to all the heads of department for advertisements; that he made a claim as for a party newspaper; that he supposed the contribution to him was induced by his application for patronage; that he understood from Wendell it was done by direction of the Postmaster General; that he drew upon Wendell for the money, and Wendell paid the drafts.

William Rice, late proprietor and publisher of the *Pennsylvanian*, testifies: that the order by the Postmaster General for printing the post office blanks and other printing was given to him December 31, 1857; and that, on the 1st of January, 1858, he arranged with Mr. Wendell

to do the work; that he gave him an order on the Postmaster General to do it—it was a direction to the Postmaster General that Wendell should print the blanks; that he subsequently gave Wendell an order for the money; and that Wendell was to pay him forty-three per cent. of the gross amount. Afterwards a part of this forty-three per cent. to Rice was diverted and given to the *Argus*. Rice testified that he could not tell who determined how much of the money Wendell was to receive, and how much he was to have; it was not determined by Wendell and himself; that Wendell communicated to him it was so. When Rice became dissatisfied with Wendell, he wrote to the Postmaster General revoking his order in favor of Wendell; and after that he (Rice) got no more orders for printing. Rice made efforts to obtain the printing by a contract for a fixed term of time. This was refused. A part of Mr. Rice's testimony, questions and answers, in his own words, (page 35 of the testimony,) will illustrate the control the executive departments exercised over the work, and over the money drawn from the treasury to pay for it:

"By the Chairman:

"Question. Were any other portions of the receipts from these post office blanks paid to anybody else?

"Answer. I do not know, sir, only from hearsay. The sum of \$19,401 is the amount paid to Mr. Wendell in the subsequent six months, but I have only received out of that \$1,861. That is all I have received out of the balance, according to my arrangement. He ought to have paid me \$8,000. On the twenty-one and a half per cent. arrangement which has been made by the Postmaster General, the amount would be \$4,171.

"Question. By what authority does the Postmaster General distribute this money?

"Answer. I do not know, only from hearsay.

"Question. Had you any conversation with him on the subject?

"Answer. Yes, sir.

"Question. Were you willing to abide by it?

"Answer. Yes; I had to do. The President told me it was divided, and I had to submit.

"Question. Did the President say so?

"Answer. Yes. The President told me that the division had been ordered, and that he could not interfere with the order.

"Question. And that you were not to have the whole of it?

"Answer. No, sir; I could not have the whole.

"Question. Had those gentlemen any authority to interfere with your contract in that way?

"Answer. I do not know.

"Question. You say you submitted to it?

"Answer. I could not help it.

"By Mr. Silldell:

"Question. They could take it away altogether, could they not?

"Answer. Yes, sir; and I consider that they did, when I got no more money from Wendell for it. The contract was given 'till further ordered,' and therefore it was discretionary.

"By Mr. King:

"Question. You submitted to this, or you supposed they could take it all away?

"Witness. Yes, sir; half a loaf is better than no bread.

"Question. But you were doing nothing for it?

"Answer. I desired to do it, but the Postmaster General thought Wendell could do it better. I could do it; but it was the same thing as if I did it. There were other parties already doing it."

Hon. William Bigler had interested himself to procure the printing of the post office blanks for Mr. Rice, and to retain it for him, when efforts were made by others to get it away, and (pages 49 and 50 of the testimony) Mr. Bigler testifies:

"So the matter stood for a time; but a great effort was made to take this work away from Mr. Rice, on the ground that there was too much of it for one paper. I had been told at the time that twelve or fourteen thousand dollars could be made by it; and on looking at the prices in the law, I did not understand how much more could be made. I did not then understand the process of stereotyping, by which

it could be executed at so small a cost. My only part was to insist on the continuance of Mr. Rice, he having been appointed, and I thought it unfair to disturb him so soon. The next distinct recollection I have was, that Mr. Rice was in danger of being removed, and I advised him to consent to divide the work into districts. There are three districts for which these blanks are provided. I suggested it to the Postmaster General; but it appeared that it would involve three distinct systems of distribution, and he could not do it; he could have but one printer. The next recollection I have is, that Mr. Rice thought, if he was retained, he could make more money by executing it himself. He made his own statement, but I advised him against it, calling his attention to the fact that his continuance was uncertain, for the department could take it from him, and Congress could change the law; but he was urgent that he should have it for a term of years, and he insisted that I should urge that policy. I think he told me that it had been done before. I mentioned the matter to the Postmaster General, Mr. Brown, who received it unfavorably, and who requested me to ask the President what he thought of such a proposition. I did so, and the President said he thought it improper; he said Mr. Rice was appointed, and he thought the Postmaster General should not make any contract about it. Mr. Rice and Mr. Wendell had some misunderstanding about the execution of this work, about which I know nothing, except what passed occasionally between themselves. Mr. Rice complained, on one hand, and I think Mr. Wendell on one occasion made allusion to the subject, saying that Mr. Rice was an unreasonable man, and that the *Argus* was entitled to a portion.

"In the next place, in August of 1858, when Mr. Rice made up his mind to part with the paper, I happened to be in Philadelphia, and the parties who were talking about making the purchase, urged me to go down and see how this printing stood, and what they could rely upon if they took the paper. I came down, and found it in the name of Mr. Rice, as heretofore, but going through the hands of the Superintendent of Printing; and it was said that the *Pennsylvanian* was to be allowed to realize \$10,000 out of the profits. The Postmaster General said he did not intend to disturb the appointment, for it mattered not who executed the work. The Postmaster General said I should say to these parties, that, so far as depended on his department, the President agreed to it, (for, it being in his State, he should be consulted about it,) that he should not interfere. The President said he was not satisfied with the manner in which the *Pennsylvanian* had been conducted, and that he was glad to find that it was to change hands, and that all he had to say to the parties was, that the matter might rest as it then stood, if agreeable to the Postmaster General. That was in August, 1858, since which time I never exchanged a word with the head of the department, or anybody else connected with the Government, about it, till after this resolution was adopted. I believe that embodies the substance of all I know. A great many of the facts of the case will be found in the official papers in the department, which will, perhaps, be as useful as any thing the committee can obtain.

"By Mr. King:

"Question. Do you know what was the amount of this post office printing, under the law of which you have been speaking?

"Answer. The total cost of printing.

"Question. What was the total amount of money drawn from the treasury for this printing?

"Answer. For any specific year? No; I do not. I think the aggregate cost is about forty thousand dollars a year; but these facts can be ascertained from the department.

"Question. Do you know, from the parties interested, how this money was disposed of—to whom was paid this \$40,000?

"Answer. I know nothing, except I have heard Mr. Rice say that he got eight or ten thousand dollars; and that more was coming to him, which he did not get. I do not know what was done with the residue of the money. I sustained Mr. Rice just as I do any other applicant for office. When they tried to put him out, I tried to retain him; for I did not think he had been long enough in to have obtained much consideration from it.

"Question. Were those facts known to Democratic Senators prior to the election of Mr. Bowman?

"Mr. Slidell. The minutes of the caucus are at the disposition of the committee.

"Answer. There was a general understanding of the whole matter. Judge Black's letter, and the statements of Mr. Wendell and Mr. Bowman, were before the caucus, and most of them have been published.

"By Mr. King:

"Question. On what occasion was it? Was it the caucus by which Mr. Bowman was nominated?

"Answer. Yes, sir.

"By Mr. Slidell:

"Question. At the time Mr. Rice received the order from the Post Office Department to print these blanks, what was generally supposed the profits would be that he could derive?

"Answer. I have stated that I understood it would be twelve or fourteen thousand dollars, and that that was the whole that he could make.

"Question. If he did it by others?

"Answer. The man who did the work would have a few thousand dollars profit. I have explained how the profits were so large; but, looking at the law, I did not suppose that more than a moderate profit could be made.

"Question. The fact that these post office blanks had been printed by this new and economical process was not generally known?

"Answer. I do not know. I knew nothing about it till this controversy arose about the printer."

Joseph B. Baker, collector of the port of Philadelphia, (pages 84, 85, 86, and 87, of the testimony,) testifies:

"In the beginning of 1858, I understood that William Rice was appointed printer of the post office blanks by the Postmaster General. I knew very little further about it until the middle of the same or towards the fall of the same year, when Mr. Rice informed me that Wendell had ceased paying him the proportion that was due to him. I then learned from him, for the first time, that he had made arrangements with Mr. Wendell for executing the work, allowing a certain percentage to Wendell for executing the work. He said that Mr. Wendell's reason for ceasing to pay was, that he was directed to pay the money to another party, or to other parties, by the direction of the Administration, and desired to know of me whether this was the fact. I replied that I did not know, and did not think any directions of the kind had been given by the Administration. Later in the fall, I heard reports in Philadelphia that Mr. Wendell had said that he was authorized or directed to pay the money that was due to Mr. Rice to other parties. On a visit to Washington, I inquired of the Administration whether this was the fact, and I was informed that it was not. My attention was drawn to a paragraph in a letter of the correspondent of the *New York Times* of December 9, 1858, and I was requested to ascertain of Mr. Wendell to whom he paid the money, if he had not given it to Mr. Rice. I found Mr. Wendell at the Capitol, on December 10, 1858, and asked him to accompany me to his printing office, to give me a statement of how and to whom he had paid the money received for printing the post office blanks. On my way thither, in the carriage, I asked Mr. Wendell if it was true that he had told parties in Philadelphia that he was directed by the President to pay any money that he received from the printing of the post office blanks to candidates for Congress, or to any other person or persons. He said it was utterly false. I then showed him the paragraph in the letter of the *New York Times*, before alluded to. I read it to him, and he pronounced it a 'damned lie.' He went to the office, and he gave me the statement I desired, which I have here.

"OFFICE OF C. WENDELL,

"Washington, D. C., December 10, 1858.

"The aggregate amount received since January 1, 1858, is \$55,268.05. The assumed profit on which is forty-three per cent., amounting to..... \$15,165.26
Of which the *Pennsylvanian* has received..... \$9,707.28
The *Argus* has received..... 5,400.00

Total paid to *Pennsylvanian* and *Argus*..... 15,107.28

Leaving for the *Union*..... 57.98

"As the *Pennsylvanian* was to have one half of the profits, the *Argus* and *Union* the other half, it will be seen that both the former have overdrawn their respective shares.

"I certify, on honor, that the above is a truthful statement from the books in our office.

"JOHN LARCOMBE, Bookkeeper."

"On the evening of the same day, December 10, I called on the President, and stated what I had learned about how this money had been paid. He said that he had given no directions whatever to interfere with the payment or the diverting of the money which was due to Rice as the printer of the post office blanks. I then related the answers which Mr. Wendell had given to me about his directions, and also read him the paragraph in the *New York Times*, of December 9th, and asked whether it would not be proper for Mr. Wendell to deny it in the *Union* over his own signature. He said I could do as I thought best. I prepared the card which appeared in the *Washington Union* of December 11, 1858, signed C. Wendell, between seven and eight o'clock, went to Mr. Wendell's house and remained there till after eleven o'clock, when he came in. He read the card, and said he would sign it most cheerfully; but the only objection to it was, that it did not go far enough; that, instead of the President directing him to pay any money, or give any money to candidates for Congress, he said it was very foolish and improper to use money in that way. The President was led to make this remark from a conversation that happened some two or three months previous, when Mr.

Wendell hinted in some way that he intended to assist the election of members of Congress in Pennsylvania by contributions of money. To that the President replied.

"I called at the Executive Mansion December 11, 1858, and the President remarked, 'I see a card is published in the paper this morning.' That was the first that he knew anything about the card.

"Mr. Sidell called the attention of the witness to a portion of Mr. Wendell's testimony, in which he said that Mr. Baker told him that the President desired Mr. Baker to ask him to sign that card. That portion of Mr. Wendell's testimony was read to the witness.

"The witness. I did not and could not have mentioned the President's name at all. I was very particular not to mention it, because of Mr. Wendell's own conversation with me that same day, on my way to his printing office, on December the 10th. When I submitted the card to Mr. Wendell, he read it and asked no questions at all, but said he would sign it most cheerfully.

"By Mr. Sidell:

"Question. You never, then, said you presented that card at the request of the President?

"Answer. No, sir; I could not have done it. It would have been telling a falsehood. In the conversation which I had with him, the President said, do as you think best. I recollect it very distinctly. He said that on a suggestion of mine. He did not even make the suggestion.

"By Mr. King:

"Question. Did you tell Wendell that you were going to see the President?

"Answer. No, sir; but he may have known that I had seen the President. I see the President every day when I am here, and he knew, I suppose, that I had seen him and had a conversation with him. I had a conversation with him as to these reports.

"Question. Then Mr. Wendell knew you had seen the President?

"Answer. I presume he did.

"Question. Was there any allusion to the President that evening in the conversation you had with Mr. Wendell?

"Answer. No, sir. The conversation must necessarily have been very brief. He came home at a quarter after eleven o'clock. He signed the card, and asked me to get it into the *Union*. Fearing that it had gone to press, he gave me a card in pencil to the foreman. I went to the foreman, and he said at first that he could not insert it, that the paper had gone to press; but the press was stopped.

"Question. Then you had not much conversation on that occasion, but he agreed to sign the card very cheerfully?

"Answer. There was not much time for conversation.

"Question. Did he know before that that you were going to see the President?

"Answer. No, sir; he no doubt knew that I came from the President on the morning of the 10th, to ascertain how he had disbursed the money that was alleged to be due to Rice. The reports were in circulation that he had directed the money to be paid otherwise, and I was solicitous to ascertain how it had been paid.

"Question. Were you requested by the President to ascertain?

"Answer. I was requested by the President, after I told him of the reports in circulation in Philadelphia that he had given such and such directions.

"Question. Did you have conversations with the President at other times on the subject of the distribution of this money?

"Answer. Not prior to this.

"Question. Well, afterwards?

"Answer. Afterwards I had.

"Question. Will you state them?

"Answer. In January, 1859, Mr. Rice was quite violent and indignant about not getting from Wendell what he supposed was justly due to him. This conversation happened while I was here, in January, 1859. Mr. Rice said, when he was appointed the printer to print the post office blanks, that he had made an arrangement or contract with Mr. Wendell to do the work for fifty per cent. of the gross receipts; and he contended that, under that arrangement, there was quite a large balance due to him. I was very desirous that Mr. Wendell should pay Mr. Rice, as I knew that he was in moneyed difficulties, the amount he, Wendell, owed Rice; and to ascertain that amount, I called upon Mr. Wendell. Mr. Wendell said that Rice was not to get fifty per cent., but forty-three per cent. of the gross receipts. Wendell also stated at that time that the money was appropriated to other purposes, and that he did not owe him anything; that the Philadelphia *Argus* had received a portion of the forty-three per cent.

"Question. Did Mr. Wendell tell you at that time by whom this was appropriated otherwise than to the publisher of the *Pennsylvanian*?

"Answer. He said he had directions from the Administration or from high official sources; I do not recollect his exact words.

"Question. What did you understand by the 'Administration'?

"Answer. I understood the President.

"Question. You spoke of conversing with the President about this; what was that conversation?

"Answer. I understood, in the fall of 1858, I do not know from whom or how, that the *Daily Argus* was to receive ten and three-fourths per centum from and after the 1st of August, 1858, and I inquired of the President who then he had given any directions for a portion of Rice's money, or what was due to Rice as printer of post office blanks, to be paid to the *Daily Argus*. He said he had given no directions; but reported said the net profits from the printing of these blanks amounted to about twenty thousand dollars per annum; and if such was the case, he supposed that Mr. Rice could afford to pay the *Argus* out of his own profits, or out of this sum. When Mr. Rice was first appointed printer, it was thought the net proceeds would not amount to over ten or twelve thousand dollars; and when it was ascertained that it amounted to \$20,000, as the *Argus* was hard up, as it always is, it was given without any directions from him. It was supposed, under Mr. Wendell's understanding of it, that there had been a subdivision of it."

Mr. Baker further testifies (page 89) that it had been charged in Philadelphia, by Mr. Wendell, that the President had directed him to use this money in this way, and that he (the witness, Baker) felt desirous to clear the President, and made it his business to do so. The President told him (the witness) that he might have said, in conversation with Colonel Florence and Wendell, who were urging this distribution, that if the profits were so large, Mr. Rice, he supposed, would not make any objection to giving a portion to the *Argus*. The witness supposes it was on that they went on and made the diversion which caused all the difficulty. The witness (Mr. Baker) conversed, at various times, with the President about the post office blanks printing, and the President never intimated to him that he approved or disapproved of the diversion.

Mr. Baker further testifies, that after the difficulty between Rice and Wendell, in the fall and winter of 1858-'59, Rice thought he had been defrauded out of his dues, and could not carry on the paper, and desired to sell. Before any one could be found to purchase the *Pennsylvanian*, it was necessary to ascertain whether there was any prospect of obtaining the printing of the post office blanks for the purchaser of the *Pennsylvanian*. The witness came to Washington, and desired to have a contract made for two years. The Postmaster General declined making a contract, on the ground that he would not forestall any action Congress might take in changing the law. Wendell offered to pay to the *Pennsylvanian* \$15,000 a year if he could obtain the contract, and an arrangement was made between Wendell and the witness, both of whom had just been together to the Post Office Department, and seen the Postmaster General, by which Wendell was to have the printing of the blanks, and was to pay \$1,000 a month to the *Pennsylvanian*, commencing on the 15th of January, 1859, and on the 15th of each month thereafter. The witness testifies, that when the first payment became due, Wendell refused to pay, on the ground that Congress might repeal the law. But when the negotiation was commenced for the sale or transfer of the *Union*, which was in March, 1859, the proprietor of the *Pennsylvanian* insisted that Wendell should pay, and Wendell was so anxious to get clear of the *Union* that he paid \$2,000 of the amount due. This, according to the arrangement made, would be the monthly payments to the purchaser of the *Pennsylvanian* for January 15 and February 15, 1859. After the payment of the \$2,000, the

witness understood from Wendell and General Bowman that Wendell was to pay \$20,000 out of the printing of the post office blanks, \$10,000 of which was to go to the *Pennsylvanian* and \$10,000 to the *Union*.

The whole testimony leaves no doubt that large sums of money drawn from the treasury to pay for executive printing and binding, and especially these post office blanks, was, by arrangements between the Administration and the printer, paid to support the publication of the *Union* (now the *Constitution*) in this city, and of the *Pennsylvanian* and the *Argus*, in the city of Philadelphia. And the amount of money drawn for post bills was enormously increased beyond the amount contemplated by law, by giving two or three, or half a dozen, orders a day for blanks, instead of one a day or one a week, and auditing an allowance for composition of the form, or setting up the types, every time an order was issued, when there was in fact no composition or resetting of the types, but the same forms stood for years—the only post office blanks in which there was any change of the form being the post bills, on which the name of the post office and the name of the postmaster were printed. In these bills these names only were changed; and the law of 1852 (volume 10, page 34, Statutes at Large) declares the prices that shall be paid for printing post bills shall be at the rate of one dollar for a thousand sheets, and that nothing shall be allowed for altering post bills when the change consists in the mere change of the postmaster's name. The change of the name of the post office was made the pretext for paying composition on every order.

To illustrate the manner in which the amount of money drawn for post bills was swelled, I quote from the testimony of John Heart, the present Superintendent of Public Printing:

Mr. Heart testifies, page 256:

"Question. You have presented, at the request of the committee, an order from the department; how do you compute the compositions to the printer upon that order?"

"Witness. For the post office blanks?"

"Mr. King. Yes, sir."

"Answer. At one dollar per thousand sheets and one composition, or the price of composition for one sheet on every order."

"Question. How many orders were received from the Post Office Department by the superintendent's office on the day the one was received that you have presented?"

"Answer. Six, I think."

"Question. Could the printing have been executed if all this printing contained in the six orders had been included in one order?"

"Answer. Yes, sir."

"Question. Just as well?"

"Answer. Much more economically to the government, but not so profitably to the printer."

"Question. Can you conveniently state the difference between the prices for these six orders, computing them as separate orders, and computing them also as one order?"

"Answer. I would sooner send for the account, but I will say that there would be sixty-five dollars saved on the six orders, if they had all been in one; that is, there would have been the allowance for five compositions saved."

"Question. Can you very readily compute and state how much was paid for the six orders, and how much would have been the price if all had been in one order?"

"Answer. Without any allowance for composition, these six orders would have cost thirteen dollars and fifteen cents; if they had all been comprised in one order, they would have cost twenty-six dollars and fifteen cents; their actual cost was ninety-one dollars and fifteen cents."

"Question. I will ask you if these six orders for that one day were much larger than the average number received in a day?"

"Answer. Three would be about the average; two or three is about the usual number, and six is a larger number than usual."

From May 6, 1855, to January 16, 1860, there

was paid out, on composition for orders for post bills, \$57,733; for press-work, \$20,084.15. The composition was constructive service, never rendered in fact; and for its amount depended entirely upon the number of orders issued, and not upon the law fixing the price, nor upon the quantity or quality of the printing—\$57,733 for constructive service, to \$20,084.15 for actual printing. The number of orders was determined by the Post Office Department.

John C. Rives testifies (page 224) that he printed the post office blanks for many years, and never charged for composition upon them, because it was a permanent job, in which the forms, with one original composition, would last for years. Mr. Rives also testified that he was consulted by the committee that framed the printing law of 1852 as to prices, and that he gave his opinion that the price for printing post bills should be one dollar, and no more, for a thousand sheets. No contrivance by which money could be drawn from the treasury under color of law could be more flagrant than the mode by which the profits for the post office blanks were swelled to such enormous proportions, and a fund provided out of which the money came that was paid by the direction of the Administration to the *Union*, the *Pennsylvanian*, and the Philadelphia *Argus*, newspapers. The profits were created by allowance for constructive composition, and by dividing the printing ordered daily into several orders, and multiplying the constructive composition by the number of orders. The enormous rates paid, and the profit upon the actual cost of the printing done in the post office blanks, have been practically shown in another way.

Since this investigation was ordered, and the corruptions connected with the public printing began to be exposed, the law has been changed, and the printing of these blanks has been let to the lowest bidder, by the direction of a section inserted in the post office deficiency bill, passed during the present session. Joseph T. Crowell, a practical printer, residing at Rahway, New Jersey, who for some years last past had been the actual printer of these blanks, and Mr. Thomas, a member or foreman of the firm of Messrs. Jewett & Co., of the *Commercial Advertiser*, Buffalo, who had also, in former years, been actual printers of these blanks, were among the bidders. Crowell, in his bid, offered to print them at ninety-three per cent. deduction from the prices paid for printing for the executive departments, or for seven cents on the dollar of those prices. Thomas underbid him, and took the printing at ninety-four and one-fourth per cent. deduction from, or at five and three-fourths cents on the dollar of the prices paid for executive printing.

By the testimony of Mr. Heart, the Superintendent of Public Printing, it appears that there are portions of the executive printing more profitable than the printing of the post office blanks were under the late extravagant rates. The facts disclosed require no comment. Public officers who practice, sustain, or sanction such abuses are unworthy of public trust.

The committee were also instructed to inquire whether any, and if any, what amount was levied upon or paid out of the profits or earnings of the public printing for other purposes. The amount

paid for the support of newspapers, out of the prices of the executive printing, is small in comparison to the aggregate amount paid for other purposes out of the profits of all the public printing. Mr. Heart, the Superintendent, testifies, (pages 306, 307.)

"The present mode of executing the public printing was adopted on the 26th of August, 1852. For some years previous the work had been executed by contract; but Mr. A. Boyd Hamilton having failed in the execution of his contract in the midst of the session, Congress abolished the contract system, which had not worked satisfactorily, and established the superintendency of printing. General Armstrong was elected Printer, and, as the books of the office show, received for Senate printing \$24,930, and for House printing \$44,092.86.

"For the Thirty-third Congress, Mr. Beverly Tucker was elected Printer to the Senate, and General Armstrong to the House. During this Congress the law, so far as it directed the printing of both houses to be executed by the Printer of the body first ordering it, was repealed. General Armstrong died during his term of office, and Mr. Nicholson was elected to succeed him.

"For the Thirty-fourth Congress, Mr. Nicholson was elected Printer to the Senate, and Mr. Wendell to the House. The printing for both houses was executed at Mr. Wendell's office.

"For the Thirty-fifth Congress, Mr. Harris was elected Printer to the Senate, and Mr. Steadman to the House. The printing of both branches was again executed at Mr. Wendell's office.

"For the Thirty-sixth Congress, General Bowman was elected Printer to the Senate on the 17th of January, and Mr. Ford Printer to the House on the 2d March, upon the eighteenth vote. The printing for the Senate is being executed at the office of Mr. Rives, and for the House by Larcombe & English, at the office formerly occupied by Mr. Wendell."

Mr. Heart continues :

"It will be thus perceived, that since 1852 there have been no less than eight persons elected Printers to Congress; and of these, but three had the requisite buildings and materials for the execution of the work. Of necessity, the work was farmed out to three parties, at a reduced price, varying from twenty to thirty-three and one-third per cent. on the existing prices. The difference on the entire amount paid by the public to the printers elect, and the sum paid by them to those who actually executed the work, may be safely, and even moderately, estimated at \$50,000 on the Congressional printing alone, excluding paper and binding; while the amount paid as bonuses for the execution of the executive printing may be estimated at least \$50,000. For these \$400,000 no equivalent services were rendered, the actual printer generally having a power of attorney from the nominal one, and representing him in every particular.

"The following is a statement of the sums paid for Congressional printing since, and including a part of, the Thirty-second Congress :

	Senate.	House.
32d Congress, first session.....	\$14,839.11	\$25,822.90
32d Congress, second session.....	24,360.71	44,092.86
33d Congress, first session.....	58,972.26	91,079.21
33d Congress, second session.....	110,224.60	135,227.05
34th Congress, first and second sessions.....	81,567.46	142,592.02
34th Congress, third session.....	54,859.17	91,303.29
25th Congress, first session.....	56,446.74	101,413.26
35th Congress, second session.....	43,750.22	88,999.59
	<u>445,820.27</u>	<u>720,560.18</u>

This statement of the Superintendent is for printing only, exclusive of the cost of paper and binding. By Mr. Wendell's testimony, (page 312,) it appears that the Congressional binding for the Thirty-third, Thirty-fourth, and Thirty-fifth Congresses, amount d, in the aggregate, to the sum of \$1,072,062.50. The executive printing for the same time was, in the aggregate, \$374,772.28; and the executive binding, estimated for the six years, was \$230,120.

From a statement which I obtained from Mr. Heart, the Superintendent of Public Printing, it appears that the average annual expenditure for printing, paper, maps, plates, and binding, for Congress and the executive departments, has been about \$900,000 a year for the last six years.

For the Thirty-fourth Congress, Wendell was elected Printer for the House, and A. O. P. Nich-

olson for the Senate. To obtain the printing of the Senate, which he executed, Wendell took two-thirds of the price paid from the Treasury, and Nicholson had one-third, amounting to the sum of \$47,533.27.

For the Thirty-fifth Congress, ending March 3, 1859, W. A. Harris was elected Printer for the Senate, and James B. Steadman was elected Printer for the House. Wendell executed the printing for both houses, and paid out of the prices received from the Treasury to W. A. Harris, nearly \$27,000; and to Steadman and his associates, upwards of \$50,000.

During the Thirty-fourth Congress, the executive printing was given to A. O. P. Nicholson. Wendell executed the printing; and out of the prices drawn from the Treasury, Nicholson had one-third, amounting to \$50,961.91. During the Thirty-fifth Congress, the executive printing was given to W. A. Harris; and for this, Wendell, who executed the printing, paid \$10,700 to the *Pennsylvanian*, and \$7,150 to the *Argus and Constitution*, besides supporting the *Union* prior to its transfer to Bowman.

Here is \$193,344.28 in cash allowed to the persons who were elected Printers to Congress, and to certain newspapers, and paid by Wendell, who executed the printing, out of the prices drawn from the Treasury during the four years ending March 3, 1859, besides the support of the *Union* while it was published by Wendell after Harris left it, during the Thirty-fifth Congress, which, for the two years, may be estimated at from twenty to twenty-five thousand dollars.

Besides these large sums paid by the printer who executed the printing as bonus for the contracts, large sums were paid out of the printing money to be expended in elections, to influence their results. Mr. Wendell testifies (page 26) that he contributed, directly or indirectly, \$100,000 during the four years; and Mr. Wendell, during the four years ending March, 1859, executed the public printing. He contributed for different Congressional districts in Pennsylvania for the elections—in Col. Florence's district, \$2,200; in J. Glancy Jones's district, \$1,000, but Jones was defeated; in Millward's district, \$500. He also contributed in White's, Riley's, and Landy's districts. Mr. Wendell testifies that it was known to the executive departments that he was a contributing agent; that the President was cognizant of the fact that he was spending money liberally, though he never mentioned to him the exact amount in any particular district. He said he had on his books an item of \$1,500, which he contributed in New York; that he went up the river, and contributed, among others, in Mr. Nevins's district: that he also contributed in New Jersey, and some small amounts in Maryland. And Mr. Wendell testifies that, without this public printing, he would not have been able to make the contributions he did.

Sylvester J. Megargee, of Philadelphia, (pages 97, 98,) in reply to a telegraphic dispatch from Wendell, shown to him by Dr. Morwitz, drew upon Wendell for \$2,000. The draft was paid, and, upon consultation with Dr. Morwitz, Megargee put the money in an envelope, and handed it to Mr. Baker, the collector of the port. Other testimony elsewhere shows that this was money sent by Wendell to the *Pennsylvanian*. The following is a part of Mr. Megargee's testimony :

"Question. Did you receive any money for political purposes in Pennsylvania or New Jersey from Mr. Wendell?

"Witness. Am I really compelled to answer such questions?"

"Mr. Kennedy. I think it is within the scope of the inquiry."

"The committee thought the question was a proper one, and that it should be answered."

"Answer. I did, sir, receive money at various times for political purposes."

"Question. Were those moneys expended for the promotion of the interests of the Democratic party?"

"Answer. Not all of them. Some of it was used for a third party, which was organized to divert votes from what was known as the 'People's party' with us. The 'People's party' was in opposition to the Democratic party. We did not know there the party organized as the 'Republican party.' The opposition to the Democratic party was called the 'People's party;' and to divert votes from that party the third party was organized. The object was to divide the 'People's party.'"

"Question. Was such a third party organized?"

"Answer. Yes, sir."

"Question. Did you believe that was necessary to the success of the Democratic party?"

"Answer. We certainly did, or we should not have given them the money."

"Question. What was that third party called?"

"Answer. The straight American party; the 'straight-outs.'"

"Question. You speak both of Pennsylvania and New Jersey?"

"Answer. Yes, sir."

"Question. And of those States only?"

"Answer. Yes, sir; of those only."

The committee were further directed to inquire whether any member of the Cabinet, or other officer of the Government, was abetting or privy to any contract, understanding, or levy, for the payment, or to the payment, out of the proceeds of the public printing, for the support of newspapers or other purposes. The testimony shows, undeniably, that the payments made by Wendell to the newspaper now called the *Constitution*, and formerly called the *Union*, to the *Pennsylvanian*, and to the *Philadelphia Argus*, were known and assented to by the President, and that the contract or understanding between Wendell and Bowman, for the payments to the *Constitution* and the *Pennsylvanian*, were made with the concurrence and upon the advice of the Attorney General, and Mr. Appleton, the Assistant Secretary of State. The conclusion is justified, from all the testimony, that Mr. Wendell, in the contributions which he made from the proceeds of the printing for party purposes, acted as the agent and friend, with the knowledge and concurrence, of the Administration. The Senate may have no power to institute proceedings for the punishment of these extravagant and corrupt expenditures of the public money, beyond their exposure to the just condemnation of public opinion; but whatever power exists to terminate them, and correct such abuses, should be promptly exerted.

The law seems to have been no obstacle to the accomplishment of any purpose the Administration or a caucus of the party desired. The law forbids the Superintendent of Public Printing having any interest in the printing. Yet Bowman, while he was Superintendent, received a transfer of the *Union* from Wendell, the actual printer, without paying anything for it; and by a bargain made with Wendell, with the sanction of the Administration, Bowman was to receive \$10,000 a year from Wendell, out of the profits of the executive printing, so long as Wendell was allowed to have the printing. Indeed, in this arrangement, the Administration was a third party, though not expressly named as such in the contract, its officers participating in making and fixing the terms of the contract, and holding the power to continue or terminate the contract

at will, by continuing or withholding the executive printing from Wendell. The caucus that nominated Bowman for Printer had knowledge of the transactions of Bowman and Wendell. The statements of both the parties were before the caucus when the nomination was made, yet Bowman was nominated and voted for and elected in the Senate to the office of Printer.

The law forbids the sale or transfer of the office of Printer; yet, as soon as he was elected to the office, Bowman transfers the printing to John C. Rives to execute the work, without any expense to Bowman; Rives to have two-thirds, and Bowman one-third, of the Government price—Bowman receiving for his office, at a moderate estimate, from eighty to a hundred thousand dollars for the Senate and Executive printing during the Congress.

The committee examined into the prices and manner of printing the State Papers by Gales & Seaton, under a law of Congress passed in 1858, and find similar extravagance in the price of printing, and the same practice of sub-letting as prevails in the Congressional printing. Wendell here, too, is the contractor to do the work for a per centage of the money drawn from the Treasury, and Gales & Seaton have a per centage for the privilege of the job.

The committee also extended its inquiries to the House of Representatives; and it appears from the testimony that at the present session there was delay and difficulty in the choice of a Printer for that House, the cause for which may undoubtedly be found in the large profits expected by the competitors to be derived from the printing. One of the Republican candidates offered, if he should be chosen, to give half the profits of the printing to the Republican Executive Committee, to be expended in documents for gratuitous distribution. The committee promptly rejected the proposition, and refused to have anything to do with the candidate or his offer. Although this candidate was voted for several days in the House, he was set aside; and it was assigned, as a reason for setting him aside, that he had made such a proposition, and another man was chosen by the Republicans to the office of Printer for the House. But he had no printing office; and the printing for the House was sub-let, and is now done at the large printing office of Wendell, now in other hands.

The committee were also instructed to inquire and report what reduction ought to be made in the prices now paid for public printing. The printing can be done for one-half it has cost at the rates that have been paid for it. But the present system gives so much discretionary power to vary the profits, by the manner of making the orders, that it should be changed. Giving out the printing to the lowest bidder who will give security to execute the work in the time and manner it is required to be done, is a means of security against such frauds and corrupt profits and expenditures as have been realized under the present system. Open and free competition in the bids is a means of preventing favoritism in giving out the work; and although some of the witnesses, who have had great experience in connection with the public printing, recommend a Government printing office, I think free competition to the bidders, and giving the work to the lowest bidder, the best system for security against fraud, favoritism, or extravagance.

